

thus enable him to procure another estate, or engage in some other business. But if White Acre is subscribed as stock in a real estate bank, and A. desires to sell it, he will find two classes of purchasers in the market. The one class would not object to the purchase of an estate subscribed as stock—but another class will be found (perhaps the most numerous and wealthy class) who would refuse to engage in banking, or to purchase an estate pledged to a bank. To redeem his estate, upon which alone he could expect to sell to one of the latter class, he would be obliged to pay into bank, in money, the value of the land subscribed. If his necessities prevented this substitution, he would be compelled to sell to one of the first class, who would agree to take the estate encumbered with the lien to the bank. Competition would thus be prevented, and the value of land would be proportionally depressed, as the owner would be compelled to find a purchaser, who, having the ability to purchase, would also be disposed to continue a stockholder. In cases of judicial sales, of sales of the estates of deceased debtors, and of sales of the estates of infants, the inconveniences resulting from the subscription of the estate into a real estate bank, would be increased as the estate must necessarily be sold subject to the incumbrance.

But it is also to be observed that a real estate bank, like any other banking institution, would be liable to losses and to ruin—its officers might prove as faithless as the officers of other banks. Your committee are bound to enquire what would be the consequences of the failure of a real estate bank, and the effort to repair the losses out of the real estate subscribed as stock?

On the insolvency of the bank its creditors ought to have the right to call for an immediate contribution from the stockholders; and that contribution ought to be adequate to meet all unsatisfied engagements. Unfortunately for the credit and the best interests of the State, we are all aware of the inconveniences which flow from the failure of a bank based entirely on a monied capital; but that experience would hardly permit us to speculate on the still greater inconveniences, which would be occasioned by the failure of a real estate bank, and the pressure on the landed interests, to the amount of millions. After very great consideration of the subject, your committee have concluded that the advantages to be derived from the creation of a real estate bank are at the least extremely problematical; and that superior and more certain advan-